

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

BROADCOM CORPORATION,
Petitioner,

v.

WI-FI ONE, LLC,
Patent Owner.

IPR2013-00601 (Patent 6,772,215 B1)
IPR2013-00602 (Patent 6,466,568 B1)
IPR2013-00636 (Patent 6,424,625 B1)¹

Before KARL D. EASTHOM, KALYAN K. DESHPANDE, and
MATTHEW R. CLEMENTS, *Administrative Patent Judges*.

CLEMENTS, *Administrative Patent Judge*.

DECISION
Request for Rehearing
37 C.F.R. § 42.71(d)

¹ We exercise our discretion to issue one Order to be filed in each case. The parties are not authorized to use this style heading for any subsequent papers.

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I. SUMMARY

Patent Owner, Wi-Fi One, LLC,² requests rehearing of the Final Written Decisions (IPR2013-00601, Paper 66, “601 Dec.”; IPR2013-00602, Paper 60, “602 Dec.”; IPR2013-00636, Paper 60, “636 Dec.”). Paper 70 (“Req.”).³ Patent Owner seeks rehearing on the grounds that:

1. The Board misapprehended the purpose of the “real party in interest or privy” language in 35 U.S.C. § 315(b), and misapprehended the correct legal standard for determining whether a non-party is a “real party in interest or privy of petitioner” under § 315(b); and
2. The Board misapprehended the entirety of the factual record and overlooked evidence supporting Patent Owner’s contention that certain district court defendants are real parties in interest and/or privies of Petitioner in this proceeding.

Req. 2. Patent Owner also argues that our Final Written Decisions raise administrative law issues. *Id.* at 4, 13–15.

The Requests for Rehearing are *denied*.

² On July 11, 2014, Patent Owner filed an Updated Mandatory Notice in IPR2013-00601 indicating that the patent-at-issue had been assigned to Wi-Fi One, LLC, and that Wi-Fi One, LLC and PanOptis Patent Management, LLC are now the real parties-in-interest. Paper 43. The same paper was filed in IPR2013-00602 (Paper 40) and IPR2013-00636 (Paper 38).

³ Patent Owner filed a Request for Rehearing in each of IPR2013-00601 (Paper 70), IPR2013-00602 (Paper 64), and IPR2013-00636 (Paper 64). All three requests put forward substantively the same arguments and, thus, we address them together with reference to the Request in IPR2013-00601. Citations are to IPR2013-00601, unless otherwise noted.

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II. DISCUSSION

The applicable standard for a request for rehearing is set forth in 37 C.F.R. § 42.71(d), which provides in relevant part:

A party dissatisfied with a decision may file a request for rehearing, without prior authorization from the Board. The burden of showing a decision should be modified lies with the party challenging the decision. The request must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, opposition, or a reply.

A. 35 U.S.C. § 315(b)

Patent Owner argues that the Board misapprehended the purpose of the “real party in interest, or privy” language of § 315(b). Req. 4. Specifically, Patent Owner argues that “the legislative purpose of [35 U.S.C. § 315(b)] is to ensure IPR Petitions are not used as a litigation tactic for purposes of delay” (*id.* at 4), and that “[t]he plain text of the statute makes clear that . . . § 315(b) is intended to prevent litigation defendants from subverting the statutory time-bar by having their agents or cohorts file an IPR petition that they themselves are barred from filing” (*id.* at 5). Patent Owner also argues that the legal standard for determining whether a third party is a “real party in interest, or privy of petition” under § 315(b) “is purposefully broad and flexible so that the Board can determine, on a case-by-case basis and in light of all relevant facts, whether particular parties are attempting to circumvent the § 315(b) time-bar.” Req. 7.

Patent Owner has not argued in its Patent Owner Response the legislative purpose of § 315(b). We could not have misapprehended or overlooked arguments not before us. Moreover, Patent Owner identifies

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nothing in our Decision that it contends mischaracterizes the legislative purpose of § 315(b). We are not persuaded, therefore, that we have overlooked or misapprehended the legislative purpose of § 315(b).

Patent Owner also argues that we misapprehended the legal test that should be applied to determine whether a non-party is a “real party in interest, or privy” for purposes of § 315(b). Req. 6. Specifically, Patent Owner contends that “the Board applied a narrow and rigid standard that is erroneous as a matter of law” (*id.* at 7) because it “requires — as an absolute and necessary condition — that Broadcom controlled or could have exercised control over one or more of the District Court Defendants in relation to the District Court Litigation” (*id.*) without “also considering, *inter alia*, the non-party’s control over the IPR” (*id.* at 8). According to Patent Owner, “the issue under § 315(b) is whether the District Court Defendants have attempted to circumvent the one-year statutory time-bar.” Req. 9.

Although our Decision on Patent Owner’s Motion for Additional Discovery (Paper 23) focuses primarily on Broadcom’s (“Petitioner”) exercise of control, or opportunity to exercise control over the prior District Court lawsuit (Req. 8), that is because that was the focus of Patent Owner’s Motion for Additional Discovery. *See, e.g.*, Paper 14, 6 (“Here, evidence will prove that Broadcom has had the opportunity to control and maintains a substantive legal relationship with the D-Link Defendants sufficient to bind Broadcom to the District Court’s judgment.”).

That decision, however, did not characterize the legal standard, for all cases, as being limited strictly to a petitioner’s control, or opportunity to control, a non-party in previous litigation. To the contrary, it addressed

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control, or opportunity to control, by a non-party generally as one of a number of factors:

Whether parties are in privity, for instance, depends on whether the relationship between a party and its alleged privity is “sufficiently close such that both should be bound by the trial outcome and related estoppels.” [*Office Patent Trial Practice Guide*, 77 Fed. Reg. 48,756, 48,759 (Aug. 14, 2012)]. Depending on the circumstances, a number of factors may be relevant to the analysis, including whether the non-party “exercised or could have exercised control over a party’s participation in a proceeding,” and whether the non-party is responsible for funding and directing the proceeding. *Id.* at 48,759-60.

Paper 23, 7.

That decision also addresses Patent Owner’s theory that the indemnity agreements imply that the District Court Defendants are real parties in interest in these *inter partes* reviews (“IPRs”). *See id.* at 12–13. Patent Owner relied on substantively the same arguments and evidence in its Patent Owner Response as in its Motion for Additional Discovery, and our Final Written Decision, thus, applied essentially the same analysis. 601 Dec. 8–9. Accordingly, we are not persuaded that we misapprehended the proper legal standard for establishing privity or real party in interest.

B. District Court Defendants

Patent Owner argues that we misapprehended and overlooked evidence establishing that certain District Court defendants are real parties in interest and/or are in privity with Petitioner for purposes of this proceeding. Req. 10–13. Specifically, Patent Owner argues that it has made “a strong circumstantial showing that Petitioner and at least some of their District Court Defendant customers are in cahoots” because “there are indemnity

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agreements,” they “share a common economic and legal interest,” and “[Petitioner] has been coordinating with the District Court Defendants for many years.” *Id.* at 11–12. According to Patent Owner, “the Board erred when it decided the § 315(b) issue without reviewing the known indemnity agreements.” *Id.* at 12.

Patent Owner’s arguments are not persuasive. The evidence cited by Patent Owner were Paper 3, and Exhibits 2005 and 2015–2018. PO Resp. 8–14. Exhibit 2018 is a final judgment of infringement in the co-pending district court litigation that sheds no light on whether Broadcom controlled, or could have controlled, the district court defendants, or vice-versa. All of the other evidence was considered in our Decision on Patent Owner’s Motion for Additional Discovery. For example, we considered, and rejected, Patent Owner’s argument that an indemnity relationship is sufficient to establish privity:

Contrary to Ericsson’s assertion that “[t]he weight of authority strongly supports that an indemnity agreement . . . establish[es] privity,” Mot. 6, *Bros. Inc, TRW, Dentsply* and other cases noted *supra* illustrate that more is required. Control of the litigation, or some sort of representation, constitutes a “crucial” factor. *Dentsply*, 42 F.Supp.2d at 398.

Paper 23, 9. As we indicated in our Final Written Decision, Patent Owner’s Response relied on substantively the same arguments and evidence as its Motion for Additional Discovery, and we were not persuaded for the same reasons as explained in our decision on that motion. 601 Dec. 8–9.

Accordingly, we are not persuaded that we misapprehended or overlooked the evidence relied upon by Patent Owner. To the extent Patent Owner is arguing that we should have granted its Motion for Additional Discovery

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directed to the indemnity agreements, the argument is untimely because our decision denying that discovery was issued well over a year before our Final Written Decision, Patent Owner requested rehearing (Paper 27) and we denied that request (Paper 28). *See* 37 C.F.R. § 42.71(d)(1).

In these proceedings, Patent Owner does not set forth a persuasive argument, supported by evidence, that the District Court Defendants funded, controlled, or could have controlled these proceedings, or that Petitioner's indemnity agreements even mention IPRs, let alone would show funding, control, or ability to control IPRs, or would have obligated Broadcom to file specific, if any, IPRs. *See* Req. 12. Instead, Patent Owner generally asserts that "Broadcom's duty to indemnify triggered the successive attack on [it]s patents," without specifying, based on cited precedent supporting the theory, how even a generic trigger for some unspecified future action, even if it existed, elevates the District Court Defendants to real parties in interest in the IPRs. *See* PO Resp. 13.

Patent Owner also argues that Petitioner failed to provide evidence of the non-party's lack of participation in, or control over, this proceeding, and that the Declaration of David Djavaherian (Ex. 1007) submitted by Petitioner in its Opposition to Patent Owner's Motion for Additional Discovery is carefully worded to obscure the true nature of the relationship between Petitioner and the District Court defendants. Req. 11, 12. Patent Owner did not make these arguments in the Patent Owner Response. We, therefore, could not have misapprehended or overlooked them.

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C. Administrative Law Issues

Patent Owner argues that “the Board’s Final Written Decision and other actions in this IPR are *ultra vires*, undertaken without statutory authority.” Req. 13. Specifically, Patent Owner argues the following:

The Board’s refusal to consider a reasonably full evidentiary record in connection with the § 315(b) issue; its denial of all discovery on the issue; and its refusal to consider the terms of the known indemnity agreement and other known facts all violate the Board’s duties under the APA. *See Olenhouse v. Commodity Credit Corp.*, 42 F.3d 1560, 1581 (10th Cir. 1994); *Intel Corp. v. U.S. Int’l Trade [Comm’n]*, 946 F.2d 821, 836-39 (Fed. Cir. 1991).

Id. at 14. Patent Owner also argues that (1) our actions are inconsistent with public statements made during the rulemaking process and, therefore, violate the Administrative Procedure Act (“APA”); (2) our Decision is contrary to 37 C.F.R. § 42.3(b) and our failure to follow our rules is contrary to the APA; and (3) our Decision does not establish that we have jurisdiction to hear this petition in light of 35 U.S.C. § 315(b), contrary to the APA. *Id.* at 15.

Patent Owner’s arguments are predicated on its contention that we lack jurisdiction under § 315(b) because the defendants in the co-pending district court litigation are real parties-in-interest who were served with a complaint alleging infringement more than one year before the filing of the Petitions in these proceedings. As discussed above, we are not persuaded that we erred in determining that those defendants are not real parties in interest. As a result, we are not persuaded that the Petitions were time-barred under § 315(b), and we are, therefore, not persuaded that our Final Written Decisions are *ultra vires* actions that exceed our statutory authority.

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III. Conclusion

For the foregoing reasons, Patent Owner has not shown that our Final Written Decision in IPR2013-00601 should be modified. For the same reasons, Patent Owner also has failed to show that our Final Written Decisions in IPR2013-00602 and IPR2013-00636 should be modified.

ORDER

Accordingly, it is:

ORDERED that Patent Owner's Requests for Rehearing are *denied*.

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